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June 22, 2009

VIA ELECTRONIC-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of Progress Energy Carolinas, Incorporated Requesting Approval of Supplementary and Non-Firm Standby Service (Experimental) Rider NFS-2
Docket No. 2009-243-E

Dear Mr. Terreni:

The Office of Regulatory Staff ("ORS") has reviewed the above-referenced filing and has no objection to Progress Energy Carolinas, Incorporated's ("PEC") request for approval of Supplementary and Non-Firm Standby Service (Experimental) Rider NFS-2.

This Rider is in direct response to requests from PEC's industrial customers and will be applicable to customers that own and operate their own electric generating facilities. The proposed Rider requires PEC to serve no more than a customer's supplementary load whenever the customer's generation is not in service, except in instances where, in PEC's opinion, they have the electricity and transmission capacity available from either their own generation or the wholesale power market, and then they will supply customer's additional load requirements. PEC will provide this service on a "standby basis" whenever the customer owned generation is not operating.

The Rider is initially being offered on an experimental basis for service until December 31, 2013. During this initial offering period PEC will review customer participation and determine if changes are needed before offering this Rider on a permanent basis.

Thank you for the opportunity to provide comments in this matter.

Sincerely,

John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS
       Nanette S. Edwards, Chief Counsel and Director of Legal Services, SC ORS
       Shealy Boland Reibold, Esquire, SC ORS
       Len S. Anthony, General Counsel – Regulatory Affairs, Progress Energy Carolinas
       Dr. James Spearman, Executive Assistant, SC PSC